

testimony and studies and lots of data on that that will show us that at least \$80 billion worth of Medicare money is being ripped off every year.

Let me give some examples. I will go through some. Here is one company that billed Medicare \$170 million for HIV drugs. Do you know how much in HIV drugs they did? Less than a million. But they billed \$170 million. There was \$142 million for nonexistent delivery of supplies and parts and medical equipment—\$142 million.

How about taking Medicare numbers from seniors and billing Medicare for prosthetic arms on people who already have two arms? That came to \$1.4 billion last year. Think about that—\$1.4 billion was billed to Medicare for prosthetic arms for people who don't need prosthetic arms.

How about 80 percent of the drugs billed across the entire United States for HIV under Medicare went to the State of Florida, which has less than 10 percent of the HIV patients who are eligible for Medicare. How is that possible? How about one wheelchair that got billed to Medicare? It was never sent, but they billed \$5 million to Medicare through multiple billings. It is easy to add up to \$80 billion.

I could go on. How about fake Medicare providers for the elderly, when they steal their number and send multiple bills to multiple locations throughout the country for the same Medicare patient. That is \$10 billion in improper payments. The actual improper payments were \$37 billion the year before last, and \$27 billion last year and of that, \$10 billion of it is unrecoverable. We paid too much or we paid the wrong person. That is \$10 billion out the door, which is \$250 per man, woman, and child in this country in improper payments on Medicare.

Medicaid is another one. There was \$30 billion worth of fraud. It is higher than that; that is only the Federal Government's portion of it. It is easily documented, but we cannot document it because Medicaid doesn't file improper payments like the law says they are supposed to. Why? It is because we have not had the guts to put any teeth into forcing HHS to have improper payments. Last year, finally we got 6 months of improper payments on only direct payments to doctors. They found \$13 billion worth of improper payments. We have a report that says there is probably \$15 billion worth of fraud in Medicaid in New York City alone, of which the Federal Government's share would be about \$8 billion to \$9 billion.

How about the fact that we paid, in 10 States, over \$30 million for payments for Medicaid services to people who are dead? Yes, we paid that. We have a great system that is working well. How about the fact that 65 percent of all Medicaid rehabilitative services are fraudulent? So of the rehab bills that are filed with Medicaid through CMS, 65 percent are fraudulent.

Why do we continue to let that happen? Where is the oversight? Ninety percent of New York Medicaid school-based service claims were illegitimate. Case management. CMS reports that in one State, 72.4 percent of the claims weren't valid in terms of Medicaid case management.

Then we have the infamous drug scandals with the drug companies that have been overbilling to the tune of a billion dollars.

How about Social Security disability fraud? We have that listed at \$2.5 billion. What we know is the following: There is at least \$6.5 billion in improper payments in Social Security disability. So we have paid them a much smaller percentage than we have on any other improper payment program throughout the Federal Government and said we will take a small percentage of that, less than 40 percent, which is normally 80 percent, and we will list it at \$2.5 billion. It is coming out of Social Security every year—totally wrong—and that \$2.5 billion could stay in the SSI program to fund people who were truly disabled. Yet we let \$2.5 billion sneak out. Why? That is us. We have not done the oversight.

If you add up all of the rest of the improper payments in the Federal Government, you come to \$55 billion. That is what is reported. But that doesn't include the 18 agencies of the Federal Government that don't even report improper payments, even though it is the law, which accounts for another \$179 billion worth of spending. And if they are anywhere close to the rest of it, there is 5 to 10 percent of improper payments. So there is anywhere from \$3 billion to \$7 billion more in improper payments.

DOD performance awards. Here is what we have done. Over the last 3 years, the DOD paid out \$8 billion on average a year to contractors for performance bonuses that didn't meet the performance requirements of their contract. Think about that—\$8 billion a year. That is almost twice the total budget of my home State that we are paying for performance bonuses for contractors that don't meet the requirements of the contract, but we pay them anyway. Why do we allow that? Why do we allow that to happen?

How about DOD maintenance of unneeded properties? We have testimony and a report that shows they have 22,000 pieces of property they don't want. They are spending about \$3 billion maintaining properties they don't want. But we put roadblocks in the way so they cannot get rid of them. Is that Americans' fault or is that something we should have addressed? We didn't do it. Consequently, we are going to throw out \$3 billion more this year to maintain properties we should have sold 5 to 10 years ago.

We also know that within the Federal Government, outside of the DOD, we have another \$18 billion worth of properties we cannot get rid of because we cannot go through the hundreds of

hoops we have to be able to get rid of them. That is a one-time savings. That is not even on here. That is a one-time savings we would achieve if we had a real property reform that forced the bureaucracy to do what was best when it came to real property.

Going back to the performance bonuses, when GAO looked at it, they found no connection between the payment of performance bonuses at the Pentagon and performance—not just on this \$8 billion they said was paid erroneously, but on the rest of it. I think we have an Armed Services Committee in the Senate. We certainly have a DOD Appropriations Committee in the Senate. You would think this might be one thing we wanted to do oversight on. Yet no oversight hearing has happened. Why is that? Why haven't we looked at how we are wasting this money?

How about no-bid contracts. This is my favorite. We have seen the problems between Boeing and Northrup-Grumman on a new tanker, a \$35 billion new contract—except we know we have needed a new tanker for 12 years. We have had planning on that for 12 years. We are letting a cost-plus contract go through because we don't know what we want. Do we not think whoever won that contract ought to have to take some risk, development risk? Do we think the American taxpayer ought to pay that? We know we lose at least \$5 billion a year across the Government in no-bid contracts. That is probably minor. That is a small estimate within the Pentagon. We have not even looked at all the other no-bid contracts throughout FEMA, which we know was tremendously wasteful during Katrina. We know that at least \$3 billion of the money we spent during Katrina, from hearings we had on homeland security, was wasted. When the average price we pay to pick up debris from Katrina to the guy actually picking it up is \$6 a yard, and we are paying the Corps of Engineers \$32 a yard, there is a problem. The taxpayers are getting swindled by 500 percent. Yet we did that to the tune of billions of dollars after Katrina, with no management or oversight.

What we know is in homeland security—and especially from Congressmen WAXMAN and DAVIS in the House—32 Homeland Security Department contracts, worth a total of \$34 billion in no-bid contracts, have experienced significant overcharges, wasteful spending, and mismanagement. Between 2003 and 2005, the no-bid contracts in the Department of Homeland Security increased by 739 percent. There is no management. We are allowing that to happen. When we argue that we cannot let the bureaucrats control it, when we say we have to do earmarks, but we don't do oversight, we are letting the bureaucrats control it. If there is \$300 billion worth of waste, fraud, and abuse here, and our earmarks account for \$18 billion, what price are we paying by not managing the Federal Government